

Message Text

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ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 AGR-05 CIAE-00 COME-00
INR-07 LAB-04 NSAE-00 EPG-02 SP-02 STR-04 TRSE-00
FRB-03 OMB-01 AID-05 /047 W
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R 202133Z MAY 77

FM AMEMBASSY SAN JOSE
TO SECSTATE WASHDC 7470
AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
AMEMBASSY PANAMA
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA

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GUATEMALA ALSO FOR ROCAP

E.O. 11652: N/A

TAGS: ETRD, EAGR, CS

SUBJECT: NEED FOR U.S. ASSISTANCE ON COFFEE RUST PROBLEM

REF: SAN JOSE 2283

1. IN A DISCUSSION WITH EMBOFFS ON COFFEE MARKETING PROBLEMS, (REPORTED REFTEL) FERNANDO CASTRO, SUB-DIRECTOR OF THE COSTA RICAN COFFEE OFFICE, EXPRESSED ALARMING VIEWS ABOUT THE LIKELY EFFECTS OF THE COFFEE RUST PROBLEM IN CENTRAL AMERICA.

2. IN COSTA RICA, CASTRO FORESEES NO SERIOUS PROBLEMS. IN FACT, LIKE HIS BOSS, ALVARO JIMENEZ, EXECUTIVE DIRECTOR OF THE COFFEE OFFICE, HE EXPECTS THE MEASURES THAT WILL BE TAKEN BY COSTA RICA TO COMBAT THE COFFEE RUST PROBLEM WILL LEAD TO A SUBSTANTIAL INCREASE (30 PER CENT) IN COSTA RICA'S COFFEE PRODUCTION. THIS WILL OCCUR BECAUSE OF THE MEASURES THAT WILL
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HAVE TO BE TAKEN TO COMBAT COFFEE RUST WILL ALSO OVERCOME THE DELETERIOUS EFFECTS OF 17 DOMESTIC TYPES OF FUNGUS WHICH ARE NOT NOW COMBATTED IN THE MAJORITY OF COSTA RICAN COFFEE FINCAS.

3. CASTRO FEARS, HOWEVER, THAT OTHER CENTRAL AMERICAN COUNTRIES WHICH ARE MUCH LESS ADVANCED THAN COSTA RICA IN THE TECHNICAL ASPECTS OF COFFEE CULTIVATION, WILL SUFFER AN ENORMOUS

DECLINE IN PRODUCTION FROM THE EFFECTS OF COFFEE RUST. THIS DECLINE COULD BE SUCH AS TO AMOUNT ALMOST TO A WIPE-OUT OF COFFEE PRODUCTION THE OTHER CENTRAL AMERICAN COUNTRIES.

4. CASTRO BELIEVES THAT IT IS ESSENTIAL THAT COFFEE-PRODUCING TECHNIQUES IN THE OTHER CENTRAL AMERICAN COUNTRIES BE IMPROVED AS RAPIDLY AS POSSIBLE TO SOMETHING APPROOACHING THE LEVEL ATTAINED BY MODERN, WELL-MANAGED COSTA RICAN COFFEE FINCS. (THE MODER, WELL-MANAGED FINCAS ARE ABOUT ONE-THIRD OF THE TOTAL FINCAS IN COSTA RICA, BUT ACCOUNT FOR ABOUT TWO-THIRDS OF COFFEE PRODUCTION.) CASTRO BELIEVES THAT COSTA RICA HAS THE HIGHEST COFFEE TECHNOLOGY IN THE WORLD. HE SAYS THE COUNTRY WOULD BE MOST WILLING TO SHARE ITS TECHNOLOGY WITH OTHER PRODUCING COUNTRIES BUT THEY ARE UNLIKELY TO ASK FOR HELP, AND COSTA RICA IS UNLIKELY TO PRESS THE ISSUE FOR FEAR OF RESENTMENT. OTHER CENTRAL AMERICAN COUNTRIES OFTEN APPEAR TO BELIEVE THAT COSTA RICANS AFFECT AN AIR OF SUPERIORITY.

5. CASTRO BELIEVES THAT THE U.S. COULD PLAY AN IMPORTANT ROLE IN HELPING TO MEET THIS SERIOUS PROBLEM. THE U.S. CONTRIBUTION WOULD NOT BE FINANCIAL; IT WOULD BE TO COUNSEL THE OTHER CENTRAL AMERICAN COUNTRIES TO LEARN THE TECHNIQUE OF COFFEE PRODUCTION THAT HAVE BEEN DEVELOPED IN COSTA RICA AND TO APPLY THIS MODERN TECHNOLOGY TO THEIR OWN PRODUCTION.

6. ASSUMING THAT CASTRO'S ANALYSIS IS CORRECT, EMBASSY BELIEVES HIS SUGGESTION MAY HAVE MERIT. THE DEPARTMENT, THE U.S. CONGRESS, AND THE AMERICAN PUBLIC HAVE BEEN EXHIBITING EXTREME CONCERN IN RECENT NFNTHS ABOUT COFFEE PRICES. PRESUMABLY, LIMITED OFFICIAL USE

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THEY SHOULD ACCORDINGLY BE CONCERNED ABOUT PHENOMENA LIKELY TO REDUCE FUTURE SUPPLIES OF COFFEE.

7. IT MAY BE THAT ROCAP, POSSIBLY THROUGH OR WITH ONE OF THE CENTRAL AMERICAN INSTITUTIONS, COULD PLAY A SIGNIFICANT ROLE IN ENCOURAGING CENTRAW AMERICAN COOPERATION TO IMPROVE THE TECHNOLOGY OF COFFEE PRODUCTION IN ORDER TO COMBAT COFFEE RUST. WE WOULD NOT SEE A NEED FOR SUBSTANTIAL FINANCIAL CONTRIBUTIONS BY THE U.S., BECAUSE WE BELIEVE THAT WITH COFFEE PRICES AS HIGH AS THEY ARE THE COFFEE PRODUCERS SHOULD FINANCE THE SOLUTION TO THEIR OWN PROBLEM. HOWEVER, THERE MIGHT BE AN ORGANIZING AND TECHNICAL ASSISTANCE ROLE OR A CATALYST ROLE THAT COULD BE PLAYED BY THE U.S. THROUGH ROCAP IN PROMOTING SOLUTIONS TO THIS SERIOUS PROBLEM. KILDAY

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 20-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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